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FIRST COUNTRY COOPERATION FRAMEWORK FOR EL SALVADOR (1997-1999)

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INTRODUCTION

1. The first UNDP country cooperation framework for El Salvador covering the period 1997-1999 coincides with the transition period which the country is undergoing. The emphasis during this phase is on consolidating the peace process, extending poverty eradication programmes, pushing ahead with modernization of the State and incorporating the country into the processes of globalization and regional and worldwide integration.

2. The cooperation framework takes account of the country's social and economic situation and outlook, the proposed policies and programmes, the need for cooperation to achieve development objectives, and the norms laid down by the UNDP Executive Board.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. The signing of the 1992 Peace Agreement put an end to the internal conflict and helped identify solutions to the problems of exclusion which were the original cause of the conflict. The Peace Agreement established a platform for consolidating democratic governance.

4. The country faces the challenge of consolidating democratic governance, integrating into the globalization process, developing a stable economy, tackling the poverty of the majority of its population and protecting the environment. In 1989 efforts got under way to implement reforms designed to bring about a market economy and achieve high growth rates. The present Government has deepened these reforms and adopted additional measures with a view to meeting the requirements of the globalization process, improving the civil service and eradicating poverty.

5. The Government of El Salvador has established a development model built around the individual. The national objectives of the Government's plan for 1994-1999 are: to strengthen the political and democratic framework; foster full human development; achieve economic independence; gain a better position in the international market; and promote a spirit of reconciliation.

6. The country has made advances in the field of democratic governance with a view to strengthening peace and modernizing the State. In order to protect human rights and the security of citizens, it has established institutions, introduced electoral and judicial reforms and begun to modernize various institutions. In order to strengthen the peace process, it is important to ensure the sustainability of the new institutions and to implement various reforms.

7. During the period 1990-1996 the economy recovered with an annual growth rate of 5.5 per cent. Inflation and the fiscal deficit fell and tax revenues increased. The trade gap remains wide, domestic savings are still low and consumption is high, financed by remittances from relatives abroad.

8. Levels of human development have increased, albeit not as rapidly as the economy. The Government has adopted a policy of improving the coverage and quality of services. Implementation of the local development policy will broaden the participation of society and provide an impetus for decentralization with the assistance of the Social Investment Fund for Local Development. The new Agricultural Plan aims to overcome the crisis in that sector.

9. Various factors continue to affect democratic governance. These include civil insecurity, the fragility of the system for protecting human rights, an evolving electoral system, and a civil service of dubious competence. The country is at the stage of consolidating the peace process and handing over management of the process to national actors, and for that reason it is important to strengthen the rule of law, establish areas of participation for all groups and strengthen the role of the media.

10. The 1997 Human Development Report places El Salvador in the group of countries with an intermediate human development index (0.592). Some 48 per cent of the population live in conditions of poverty, which mainly affects farm workers (58 per cent) and female heads of household (27 per cent of households). The rural poor engaged in agriculture (72 per cent) face constraints in terms of access to land, credit and technical assistance.

11. The principal challenges in the fight against poverty are: (a) strengthening policies which help to reduce poverty; (b) implementing agricultural policies to stimulate production; (c) ensuring greater involvement of the population in local development; and (d) offering women improved access to basic services and better-paid jobs.

12. The Environmental Agenda and Plan indicate that the country's development should be reoriented towards sustainability. The degradation of natural resources and the environment pose a threat to sustainable development.

13. Deforestation has resulted in the loss of 98 per cent of the original forest cover partly because wood is the principal source of energy of some 77 per cent of the population. Seventy-five per cent of soil is affected by erosion. The degradation of catchment basins such as that of the river Lempa, which generates 90 per cent of the country's hydroelectric power, is particularly serious. Some 90 per cent of watercourses are polluted, with an attendant loss of biodiversity. Sixty-seven species of tree and 128 species of vertebrates are in danger of extinction.

14. The challenges in this area are: (a) establishing a legal framework to protect and conserve resources; (b) implementing a strategy which includes elements of education and management; (c) setting up mechanisms for stimulating investment in environmental renovation; (d) conserving biological diversity; (e) extending scientific knowledge; and (f) reducing air and water pollution and cutting pollution caused by solid waste.

15. With regard to gender issues, equality of opportunity is non-existent; women have less access to education, social and cultural development and participation in the political process. Poor women find it difficult to escape from the cycle of poverty. The rate of illiteracy among rural women is over

40 per cent and work done by women is not always assessed at its proper value. Women's lowly status is compounded by the deterioration of natural resources which increases their workload to the detriment of their health and that of their families.

16. In order to achieve equality of opportunity for women, it is necessary: (a) to strengthen laws in order to ensure equal treatment; (b) to allocate resources to the implementation of the Family Code, the Family Violence Act and the Convention on the Elimination of All Forms of Discrimination Against Women; (c) to implement the national policy on women; and (d) to strengthen the Salvadoran Institute for Women, the Secretariat of Family Affairs and the National Council for the Defence of Human Rights.

II. RESULTS AND LESSONS OF PAST COOPERATION

17. During the period 1992-1996, total foreign aid amounted to US$ 1,900 million or 86 per cent of the aid received during the previous five-year period. Of that total, bilateral aid accounted for 45 per cent, multilateral aid for 53 per cent, and 2 per cent was received from international non-governmental organizations. Cooperation was concentrated in development affairs (47 per cent) and transport (14 per cent).

18. UNDP allocated funds in the amount of $9.4 million and channelled resources in the amount of US$ 203 million from the Government and 22 bilateral and multilateral donors. The donors include Australia, Canada, Denmark, France, the Inter-American Development Bank (IDB), the International Fund for Agricultural Development (IFAD), Italy, Japan, Mexico, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the World Bank. The resources financed projects in the areas of modernization of the State (47 per cent), the fight against poverty (37 per cent) and national reconstruction and strengthening of democracy (12 per cent).

19. Once the Peace Agreement had been ratified, the objectives of the fifth UNDP cooperation programme were defined as follows: (a) national reconstruction and strengthening of democratic institutions; (b) the fight against poverty; (c) elaboration of a programme for modernization of the State; and (d) environmental management.

20. The fifth UNDP cooperation programme had to address the post-conflict situation and focused mainly on the consolidation of peace. It covered various fields including national reconciliation, promotion of human rights, establishment of democratic institutions, judicial reform and assistance to areas affected by the conflict. Emergency assistance was made available between 1992 and 1994; after 1994 efforts focused on strengthening future project sustainability.

21. In conformity with the Agreement, UNDP assistance was geared towards promoting political dialogue, elaborating programmes, mobilizing funds, taking responsibility for medium-term tasks and coordinating donors. Assistance was linked to the elaboration of a National Reconstruction Plan, the establishment

of the Office of the National Counsel for the Defence of Human Rights and the new public security force, support for judicial reform, the provision of assistance to the electoral process and proposals for systemic reform. Programmes were implemented to reintegrate former combatants, and assistance was provided to the Fund for the Protection of the War-Wounded and War-Disabled. The work was carried out in coordination with the United Nations Observer Mission in El Salvador and in accordance with programmes adopted jointly with various donors.

22. UNDP projects to eradicate poverty were geared towards social compensation and job creation. With regard to social compensation, activities were carried out in respect of health, education, training and basic sanitation in cooperation with the Social Investment Fund. UNDP took part in the implementation of projects (World Bank and IDB loans) designed to improve the coverage and quality of education and health services.

23. Pursuant to the agreement reached at the International Conference on Central American Refugees and its principal initiative, the Development Programme for Displaced Persons, Refugees and Returnees, measures were taken to encourage the integration of uprooted populations through local development projects. Steps were taken to promote consensus, thereby strengthening local planning capacity. UNDP helped to set up two agricultural development projects (Chalatenango and Paracentral) which are benefiting 17,000 small-scale farmers.

24. The objectives of cooperation in the field of modernizing the State and defining guidelines for a modern civil service were: redefinition of the role of the State; achievement of higher levels of public-sector efficiency; and improved quality and coverage of services. Studies undertaken by UNDP included: simplification of procedures; institutional reorganization; development of human resources; decentralization; privatization and deregulation; and financial modernization. In terms of sector, support was provided for modernizing the Ministries of Agriculture, Education and Health, the customs authority and the property and land register.

25. The principal lessons learned during the fifth UNDP cooperation programme are: (a) the need to devise reconstruction programmes with long-term development criteria, particularly in post-conflict situations in which a short-term outlook prevails; (b) modalities for participation and seeking consensus in the reconstruction process; (c) support for the establishment of democratic institutions in order to assist public management and increase participation; (d) encouragement of wider consensus among national and external actors; and (e) assistance in elaborating macroeconomic policies which further stimulate development and ensure the consolidation of the peace process.

III. PROPOSED STRATEGY AND THEMATIC AREAS

26. El Salvador continues to implement an interdependent programme, pursuing sustainable human development, seeking to achieve lasting peace and promoting economic and social development, with emphasis on local activities. UNDP assistance is posited on the existence of common objectives shared by donors and national institutions.

27. The country is faced with the challenge of consolidating the processes which the Peace Agreement and the phenomenon of globalization have set in train, and dealing with the impact of those processes on production, social integration and labour markets. Given the nature of the challenge, UNDP is focusing its cooperation on three main areas: democratic governance, poverty eradication and the environment.

28. Activities in the first area include: reform of the judicial system; strengthening of civil protection institutions; better protection of human rights; modernization of the State; more opportunities for participation by local communities; greater involvement of women in decision-making; and promotion of economic and social development.

29. In the area of the administration of justice, emphasis will be placed on the training of human resources and institutional strengthening, particularly in those areas in which new rules have been adopted, reforms undertaken and international agreements ratified. Training will be provided through law faculties and public education programmes on legal issues will continue.

30. With regard to civil protection institutions, UNDP will continue to support a strategy that relies on strengthening the scientific research capability of the police force, coordinating the work of police investigators and prosecutors, establishing integrated information systems and providing specialized training to personnel. Assistance will be provided to develop and guarantee the sustainability of the institutional framework and steps will be taken to strengthen both the General Inspectorate of the National Civil Police and internal oversight bodies.

31. Assistance in the field of human rights protection and education will be expanded through the establishment of various types of alliances with organizations of civil society. The technical capacity of the Office of the National Counsel for the Defence of Human Rights will be strengthened by promoting its links with other related institutions.

32. In the area of the strengthening of democracy, assistance will be provided for the implementation of key electoral reforms by consolidating the national register of natural persons and enforcing a residence requirement for voters. Programmes will be designed and implemented to improve the management capacity of the Legislative Assembly and assistance will be provided for the training of young politicians.

33. As regards the modernization of the State, UNDP will complement the activities currently under way and promote: (a) greater decentralization and increased participation by organizations of civil society; (b) modernization of human resources management and of project procurement and contracting; and (c) integration into the process of globalization, greater competitiveness and economic and social development.

34. In order to promote gender equity, priority will be given to the implementation of the national policy on women and to the protection of women's rights. As its contribution to the national dialogue and to the search for

consensus, UNDP will also promote the organization of thematic debates, with the participation of representatives of various sectors.

35. In the fight against poverty, emphasis will be placed on improving the living conditions of the poorest classes by creating sustainable bases for their integration. Another important task will be the formulation of a national youth policy.

36. UNDP will collaborate in the implementation of poverty-reduction strategies at the national and local levels, focusing on inter-agency cooperation for the execution of the human development programme in the northern zone. Its assistance will have the following objectives: (a) to strengthen policies; (b) to improve local management capacity, particularly in poor and declining areas; (c) to mainstream the gender perspective; and (d) to collaborate in the implementation of the commitments entered into at the World Summit for Social Development.

37. Under the cooperation framework with El Salvador, the mechanisms for the follow-up of poverty eradication programmes will be improved through the use of data for the survey and measurement of poverty and for the preparation of the national human development report.

38. UNDP will continue to assist in the formulation and implementation of projects funded by the World Bank, IADB, IFAD and other donors, which are designed both to increase the coverage and improve the quality of social services and to promote job creation.

39. In the field of the environment, efforts will be made to promote the rational use and protection of natural resources. UNDP will contribute to the implementation of the Alliance for Sustainable Development, collaborate in the elaboration of the national environmental strategy and contribute to the implementation of projects for the protection of certain zones, including the Meso-American Biological Corridor. It will provide assistance to the National Council for Sustainable Development and contribute to the fulfilment of the commitments entered into under international agreements, to the attainment of sustainability in the field of energy and to the strengthening of capacity in the management of resources (Capacity 21). It will provide support for increasing the participation of women in environmental management and for programmes aimed at reducing soil degradation and erosion.

40. UNDP will promote dialogue among the various actors aimed at incorporating the human, economic and environmental aspects of development into public and private policies. It will also strengthen dialogue to ensure a more holistic approach to the rational use of natural resources in order to generate sustainable livelihoods for the poor population of the communities of the Lempa River Basin.

41. Resources will be mobilized to conduct studies on land-use management, use of water resources, conservation and sustainability of soils, and the transfer of technology for more efficient use of firewood.

IV. MANAGEMENT ARRANGEMENTS

42. The modality of national execution will continue to be used for between 80 per cent and 90 per cent of the programme, given the success which the fifth UNDP programme achieved in the rational use of resources, the strengthened capacity of national institutions and the training of human resources in the implementation of projects funded from loans from IADB, IFAD and the World Bank. A number of non-governmental organizations also acquired this capacity and efforts are continuing to strengthen capacity at the local level.

43. Inter-agency coordination mechanisms will be strengthened in order to implement the commitments undertaken at United Nations conferences. Organizations of the United Nations system are expected to work together as project execution agencies, especially within the framework of the Programme for Sustainable Human Development.

44. In order to improve local capacity in the management of development, use will continue to be made of the United Nations Volunteers programme. The modality of Technical Cooperation among Developing Countries (TCDC) will be used in those areas that come under the country cooperation framework. The participation of non-governmental organizations in the implementation of projects and in the formulation of proposals of common interest will be expanded.

45. Monitoring and evaluation activities will be carried out at three levels: the first cooperation framework; programme areas; and programmes and projects.

46. With regard to the cooperation framework, the Government and UNDP will hold meetings and there will be a mid-term review of work in progress and of the relevance of the cooperation received. Meetings will also be held with donors to coordinate assistance.

47. The impact of poverty-eradication programmes will be evaluated in terms of policies adopted, access by the poor to credit, elaboration of human development reports and improvements in the local management of development. The impact on democratic governance will be measured in terms of the strengthening of democratic institutions, the administration of justice, the introduction of electoral reforms, the modernization of public institutions and the extent to which the national policy on women is implemented. The criteria for measuring results in the field of the environment are the implementation of a national environmental strategy and of the provisions of Agenda 21.

48. With regard to programme areas, annual meetings will be held between the Government and UNDP. A mid-term review will be conducted to evaluate the progress made and thematic meetings will be arranged between donors, the Government and non-governmental organizations.

49. As regards programmes and projects, there will be half-yearly review meetings and annual impact-assessment meetings and also external evaluations. The basic information required to assess programme impact will be derived from projects. Project evaluation will be based on UNDP norms and on the specific agreements concluded between donors and national institutions. The

organizations of the United Nations system will contribute technical support services.

Resource mobilization

50. Given the success of UNDP in mobilizing resources during the fifth cooperation programme - the result of a rational setting of priorities and strategies with donors - the strategy to mobilize resources for the period 1997-1999 is based on the conclusion of more comprehensive agreements between UNDP and various donors and on the implementation of the agreements concluded between the Government, IADB and the World Bank, in which UNDP has been included as a cooperation agency.

51. During the period 1997-1999, $146 million will be mobilized, depending on the type of programmes that are proposed, the specific agreements with donors and approval by the legislative organ. Special resources in the amount of $5 million are expected to be obtained from UNDP, the Global Environment Facility, Capacity 21 and other sources. The target for the period 1997-1999 in terms of the mobilization of resources for the first country cooperation framework is $150 million (see annex).

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR EL SALVADOR (1997-1999)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	521	
TRAC 1.1.1	1 776	Assigned immediately to country
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3	1 000	
Other resources		
SPPD/STS	156	
Subtotal	3 453*	
NON-CORE FUNDS		
Government cost-sharing	25 000	The period during which the funds obtained during the triennium are used will in many projects exceed the period of reference of the new cooperation cycle.
Sustainable development funds GEF Capacity 21 Montreal Protocol	 3 000 500 300	
Third-party cost-sharing	112 800	The period during which the funds obtained during the triennium are used will in many projects exceed the period of reference of the new cooperation cycle.
Funds, trust funds and other Trust Funds UNIFEM	 3 500 1 500	
Subtotal	146 600	
GRAND TOTAL	150 053*	

* Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: IPF = indicative planning figure; GEF = Global Environment Facility; UNIFEM = United Nations Development Fund for Women.